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October 19, 2006

Ex Parte

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

**Re: In the Matter of Comprehensive Review of Universal Service Fund Management,
Administration and Oversight, WC Docket No. 05-195**

Dear Ms. Dortch:

On October 18, 2006, Chris Miller, Shelley Robinette and Katherine O'Hara of Verizon met with Regina Brown, Karen Johnson, Alex Minard, Erika Olsen, Gina Spade and Dana Walton-Bradford of the Wireline Competition Bureau. The purpose of the meeting was to discuss issues associated with the Notice of Proposed Rulemaking regarding the review of USF management, administration and oversight. The enclosed slides formed the basis of the discussion.

Pursuant to Section 1.1206(b) of the Commission's rules, one electronic copy of this notice is being filed in the above-referenced proceeding.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink that reads "KadHara".

Enclosure

cc: Regina Brown
Karen Johnson
Alex Minard
Erika Olsen
Gina Spade
Dana Walton-Bradford

Comprehensive Review of USF Management, Administration and Oversight



Streamline USAC Processes

- Reimburse applicant directly
 - Eliminate service provider from process
 - Applicant provides BEAR form today to USAC
 - Applicant audits are already conducted
 - Applicant can provide all details of the reimbursement, if necessary
- Consider replacing discounted billing
 - Delays in service to applicant often result
 - Work with industry to find alternatives

Streamline USAC Processes

- Streamline eligible services list process
 - Finalize ESL by September 1 for the following year
- Implement streamlined multiyear application process for Priority One services
 - Telecommunications, voice mail and internet access services
 - Non-contracted tariff and month to month services should be ordered for up to three years without new competitive bid
 - Streamlined 471 application process – identify only changes to services ordered

Continue Efforts To Combat Waste, Fraud and Abuse

- Service providers should be given a copy of Item 21 Attachment of Form 471
 - Service providers must rely on applicants for details
- Audit process improvements
 - No demand for repayment of funds while appeal pending
 - No withholding funding to all applicants while audit pending
 - Audits should not be required annually unless specific problems requiring closer scrutiny are found
- Single point of contact within USAC for service providers
- On line tools when practicable